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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
Alfred D. Stedman, Assistant Administrator
Director, Division of Information and Records
Washington, D. C.

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TO FARM JOURNAL EDITORS:

The following information is for your use.

DeWitt C. Wing

Francis A. Flood

DeWitt C. Wing and Francis A. Flood,
Specialists in Information.

"ECONOMIC DEMOCRACY IN THE CORN BELT"

From Secretary of Agriculture Henry A. Wallace's remarks on "Economic Democracy in the Corn Belt", in a radio talk this week, the following is quoted:

"At one of the State fairs in the Midwest recently a farm paper editor asked over a hundred corn-hog producers, picked at random, how much of an increase in corn acreage could be expected in their communities if there were no adjustment program. The average of the answers was this: 'If there is no adjustment program in 1935, we look for increase in corn acreage over the base period of about 30 percent.'

"Perhaps that seems an extravagant guess. Looking at the record of past years, however, there is some basis for it. For it seems that after every drouth year, corn acreage goes up. We have never had a drouth as bad as the 1934 one. The one closest to it in extent and severity, so far as we know, occurred in 1894... After that drouth, during which corn prices got up to 45 cents, the average in 1895 jumped 13 percent. The price, in 1895, dropped to 14 cents.

"An increase in acreage in the year following a drouth is not the only factor; history records that yield per acre also rises. Looking back over the past 50 years or so of corn acreage and yield, we find that in the year following a great drouth the yield per acre is generally well above average. With acreage expanded, and yields per acre above average, there is of course an excellent chance for a crop big enough to push prices down around the 10-cent level. But let us suppose that the estimate of a 30 percent increase in corn acreage in 1935, if there is no adjustment program in effect, is too high; suppose we pare it down to a more reasonable guess, say a 10 percent increase. With average yields, that would mean in 1935 a crop of 2,700,000,000 bushels.

"Let's imagine ourselves in the fall of 1935 with that much corn in our fields. What are we going to do with it? Feed it to cattle? We will have 15 percent fewer cattle than we had in 1932-33. Feed it to hogs? We'll have 30 percent fewer hogs. Feed it to sheep and poultry? We won't have quite as many of them, either. Human food? Industrial uses? Hardly a drop in the bucket.

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"Then what will we do with it? Why, we'll do what we did with our 10-cent corn in 1932: we'll feed it to anything on four legs, until we're sick of the sight of it, and then maybe we'll use some of it for fuel, as we did then; or maybe we'll just let some of it rot in the field.

"When we did this in the marketing year 1932-33, we used up about 2,600,000,000 bushels. We still had 195,000,000 bushels left, over and above our normal safety reserves of 180,000,000 bushels. That is why we had 10-cent corn. But a 10 percent increase in acreage in 1935 with normal yields, we have agreed, would give us almost as much corn as we had in 1932-33, whereas our livestock numbers are considerably less. In fact, a liberal estimate is that, with livestock population at the level it will be in 1935, our actual corn needs will be around 2-1/4 billion bushels. That is some 600,000,000 bushels under the crop that a 10 percent increase in acreage would produce. If the past is any guide at all, that would mean 10-cent corn.

"That is the outlook for 1935 in the Corn Belt if there is uncontrolled expansion. A sudden and heavy increase in our exports of pork and lard would of course improve the outlook, but we cannot count on anything but a slow, moderate increase. Even that is hard enough to get. The reciprocal tariff treaty with Cuba suggests that we can win back some of our foreign trade whenever we are willing to accept imports in payment for our exports. But of necessity the increases in foreign trade will come slowly.

"If uncontrolled expansion in the 1935 corn acreage is likely to mean 10-cent corn, what about controlled expansion? The answer is suggested, at least, by our experience this year. With a controlled expansion the chances are strongly in favor of a continuing march toward parity prices for corn and hogs. We know, now, from personal experience, that by controlling supply we can affect price. What to most of us had been no more than a theory, has suddenly become as real and as practical as an everyday farm chore.

"I know that as the Corn Belt farmer thinks over these facts and tendencies in the economic outlook, he will not let them be the sole basis of his vote in this corn-hog referendum. Nor should he. He will think about the problems of any program involving over a million farms and farmers; he will doubtless recall delays, and misunderstandings, and hours of struggle with a new kind of social machinery. If, however, he believes in the basic need of continual adjustment of supply to demand; if he is convinced that farmers of the United States must continue to use the centralizing power of the Federal Government to keep agriculture in balance with industry, then he will turn his attention to improving that social machinery as rapidly as possible, both locally and nationally.

"Finally, there is one other consideration in this corn-hog referendum of the utmost importance to all of us - to labor and industry as well as to agriculture, to consumers as well as to producers. That is the fact, too little noticed, that in these county production control associations, as in this referendum, we have a new democratic process at work in this country, a process of economic self-government.

"We have never had anything like it before. It has only been recently that we have come to feel the need for it. The political democracy of a hundred years ago took care of the decentralized economic forces of that day not perfectly, perhaps, but adequately. But today there are highly centralized economic forces to contend with, and to get into balance, lest the whole business go smash. Today it is not one man competing on fair and even terms against one other man; it is one man on one farm against a billion-dollar corporation, or it is a fifty-thousand-dollar corporation against the billion-dollar one; or it is a large group of individuals unable to act as a unit and therefore selling low and buying high. For this group there simply must be some kind of social machinery, enabling them to act cooperatively and intelligently, if ever they are to get a fair share of the national income.

"The method of this corn-hog referendum, and of the county associations, is at bottom the method our forefathers used in settling their local affairs. What was true of political affairs for them, is true of economic affairs for us. With the economic game played as it is today, economic affairs are not left to chance. In an oligarchy, those who have the most economic power govern economic affairs. In a democracy, it is conceded that every man has a stake in the economic decisions that are made from day to day, and that, therefore, every man ought to have the right to say what he thinks those decisions ought to be.

"For all our proud traditions of democracy, that is something new in this country, and something long, long overdue. That is why this corn-hog referendum is potentially so important to every citizen in the land. There may be, among corn-hog producers, a difference of opinion on the necessity and the wisdom of conducting another adjustment program in 1935, but there can be no difference of opinion on the necessity and the wisdom of voting in this present referendum."

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THREE-FOURTHS OF FIRST CORN-HOG PAYMENTS TO FARMERS

Approximately 1,030,000 corn-hog contracts, or nearly 90 percent of the expected total, have been received for approval by the Secretary of Agriculture and about \$100,000,000 (about 75 percent of the estimated total first instalment of benefit payments) have been disbursed through October 2 to contract signers, Dr. A. G. Black, chief of the corn-hog section of the Agricultural Adjustment Administration, has indicated in a preliminary report.

"In Connecticut, Florida, Georgia, Indiana, Iowa, Kansas, Minnesota, Missouri, Nevada, Ohio, Virginia and Wisconsin, most of the first instalment checks due corn-hog farmers have been paid," Dr. Black said. "Contracts have been submitted from every state. The states reporting most recently are Louisiana, Maine, Mississippi, New Jersey and Rhode Island. The bulk of the contracts on which payments have not yet been made will be passed on by the end of the next several weeks."

The corn-hog checks now going out represent one-half of the corn payment due and two-fifths of the hog payment due contract signers for participating in

production adjustments under the 1934 corn-hog program. The second instalment of payments, representing one-fifth of the hog payment and the last half of the corn payment, less the local administrative expenses, will be due November 15 of this year. The third and final instalment, representing two-fifths of the hog payment, less local administrative expenses, will be paid on or about February 1, 1935. The preliminary report shows that payments up to September 28 were made to producers in 42 states, as follows:

Alabama, \$185,371; Arizona, \$17,168; Arkansas, \$399,565; California, \$772,822; Colorado, \$152,446; Connecticut, \$12,177; Delaware, \$12,883; Florida, \$121,666; Georgia, \$68,946; Idaho, \$37,161; Illinois, \$5,447,430; Indiana, \$8,467,247; Iowa, \$26,859,627; Kansas, \$6,168,973; Kentucky, \$72,396; Maryland, \$168,433; Massachusetts, \$158,403; Michigan, \$52,295; Minnesota, \$6,880,457; Missouri, \$9,712,589; Montana, \$124,071; Nebraska, \$9,778,820; Nevada, \$25,133; New Hampshire, \$8,929; New Mexico, \$90,225; New York, \$20,513; North Carolina, \$61,165; North Dakota, \$446,364; Ohio, \$7,117,686; Oklahoma, \$778,860; Oregon, \$16,895; Pennsylvania, \$24,011; South Carolina, \$17,509; South Dakota, \$5,063,390; Tennessee, \$581,160; Texas, \$1,369,681; Utah, \$70,332; Vermont, \$3,698; Virginia, \$652,844; Washington, \$297,813; West Virginia, \$82,385; Wisconsin, \$3,072,856; Wyoming, \$2,086.

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WHEAT BENEFIT PAYMENTS COMBINED

Distribution of the first wheat adjustment payments on the 1934 crop is to begin at once. These payments, at the rate of 20 cents a bushel on each co-operating farmer's allotment, will be combined with the remainder of the final 1933 adjustment payments to be made under the wheat plan, George E. Farrell, chief of the wheat section of the Agricultural Adjustment Administration has announced. The payments due farmers on the two instalments total approximately \$98,000,000.

The first 1934 payment is due on October, under the terms of the wheat contract; will total approximately \$70,000,000. About \$28,000,000 remain to be paid on the final 1933 payment, which includes the cost of operating local associations. The total will be payable as soon as all compliance certificates are audited.

"Compliance certificates are now being received in Washington in much better condition than earlier in the season, and auditing will be more rapid from now on," Mr. Farrell said. "Where it is obvious that there has been violation or non-compliance with the contract, the payments will be held up until the compliance can be cleared," he said.

"The following table shows the estimated second 1933 payments, the estimated first 1934 payments, and actual payments made to date on the second instalment of the 1933 benefit:

State	Estimated Second 1933 Payment	Estimated First 1934 Payment, as Shown by First 1933 Payment	Second 1933 Payment Made to Date
Arizona	\$ 6,500	\$ 14,572	\$
Arkansas	900	1,884	
California	363,400	820,936	146,876
Colorado	651,400	1,469,606	
Delaware	34,300	75,606	
Georgia	2,400	5,173	453
Idaho	1,054,100	2,336,570	
Illinois	769,500	1,712,846	25,826
Indiana	585,000	1,293,772	78,659
Iowa	153,900	295,616	209
Kansas	7,593,800	16,772,240	842,298
Kentucky	77,100	171,412	1,331
Maryland	249,800	547,785	64,389
Michigan	256,500	569,546	7,217
Minnesota	570,500	1,271,796	
Missouri	477,000	1,054,594	55,018
Montana	1,892,200	4,346,716	3,398
Nebraska	1,828,100	4,084,813	100,468
Nevada	9,300	20,391	1,495
New Jersey	3,600	7,790	
New Mexico	155,200	342,393	7,355
New York	13,700	30,534	855
North Carolina	16,900	36,792	2,119
North Dakota	4,421,200	10,082,611	
Ohio	537,700	1,180,734	12,332
Oklahoma	2,126,200	4,702,802	166,696
Oregon	834,800	1,829,427	
Pennsylvania	78,800	175,198	6,480
South Dakota	1,578,400	3,523,638	
Tennessee	39,400	88,070	870
Texas	1,672,900	3,723,494	232,371
Utah	205,900	453,672	
Virginia	171,000	371,572	7,942
Washington	1,806,700	3,988,697	229
West Virginia	23,600	52,674	
Wisconsin	11,800	26,658	
Wyoming	126,600	279,474	
Total	\$30,380,100	\$67,762,110 <u>1/</u>	\$1,764,886

1/ Increase to cover signers not eligible for full 1933 payments will bring this total to approximately \$70,000,000 on first 1934 payment.

RULING ON WHEAT PLANTING ON CORN-HOG FARMS

In order to encourage the production of crops for use on the farm early in 1935, the corn-hog section of the Agricultural Adjustment Administration has ruled that signers of corn-hog adjustment contracts may, under certain conditions, increase their plantings of wheat this year for harvest as grain in 1935, without violating the terms of their corn-hog contracts. The new ruling does not apply to signers of wheat adjustment contracts.

A corn-hog contract signer in either emergency or secondary drought areas, if his farm would have a "wheat base" of less than 15 acres calculated according to the method used in determining the wheat base for a corn-hog adjustment contract, may plant as much as 15 acres of wheat this year for harvest as grain in 1935. This privilege also applied to producers who have no wheat base.

In its original form, the corn-hog adjustment contract limited the acreage of wheat planted for harvest as grain to the acreage which the signer had planted in 1932 or 1933, whichever was the greater. The new ruling authorizes an increase in this acreage up to 15 acres but does not necessarily provide that the grain from the entire 15 acres may be sold. Any grain harvested from the acreage planted in excess of the producer's wheat base authorized under the original corn-hog contract is to be fed to livestock or used otherwise on the farm of the producer, and is not to be sold from that farm unit.

Thus a farmer who in 1932 or 1933 planted, for example, seven acres of wheat for harvest and sale as grain would be authorized to increase his planting to 15 acres this year for harvest in 1935. He would be authorized to sell, next year, the grain harvested from seven of the 15 acres, but would retain for use on his own farm the grain from 8 acres.

Corn-hog adjustment contract signers in states outside of drought areas, who would have no wheat base under the terms of the corn-hog adjustment contract, may plant this fall not more than two acres of wheat to be harvested as grain in 1935 for consumption on their own farm units, but not for sale from the farms.

Neither of these rulings applies to corn-hog producers whose wheat bases under a corn-hog adjustment contract would be 15 acres or more, and they do not apply to producers who have signed a wheat adjustment contract. Nor do they affect a corn-hog contract ruling made in August, as a result of drought, under which wheat acreage in addition to the allotted base might be planted this fall for pasture and forage purposes only. Producers of corn and hogs who plant wheat for harvest as grain under the new rulings are not limited in the acreage which they may plant for pasture and forage.

Before planting wheat under the new interpretation, the producer is required to submit to his county corn-hog allotment committee a statement of the acreage to be harvested for grain for sale, the acreage to be harvested as grain for feed or other use under the new interpretation, and the acreage to be used for pasture or forage.

The areas designated as emergency and secondary drought areas and in which the new interpretation is effective include all of the States of North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Iowa, New Mexico, Colorado, Wyoming, Utah,

Nevada, and, in addition, Eastern Montana, Southern Idaho, Eastern Oregon, Southern and Northeastern California, the Southwestern half of Arizona, practically all of Texas, Northwestern Louisiana, practically all of Arkansas, Illinois, Missouri, Wisconsin, Southern Minnesota, Southern Michigan and Northwestern Indiana.

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PLANS FOR DISTRIBUTING SEED IN DROUGHT AREAS

Plans for the distribution of supplemental seed stocks conserved by the Agricultural Adjustment Administration and the establishment of a system of clearing information to facilitate distribution of other seed supplies to deficit areas of drought-stricken states have been announced. The Adjustment Administration has acquired a quantity of the best adapted and superior varieties of grain in its buying program of the past three months, as a measure to prevent the dissipation of specially adapted varieties of seed as feed or in mixing. Holdings of such seeds, as of October 5, were as follows: Hard spring wheat, 4, 263,460 bushels; barley, 1,398,710 bushels; oats, 6,276,170 bushels; durum, 826,440 bushels; flax, 417,250 bushels.

The amount of seed held by the Adjustment Administration is small in comparison with the total requirements of the country, and cannot be depended on to care for the entire needs of areas in which a deficit of proper seeds exists. It is hoped, however, that through the program sufficient quantities of adapted varieties can be distributed to furnish the nucleus of future supplies; and that the distributing agency can also act as a clearing house of information to expedite distribution of privately held seed supplies to drought areas.

In the distribution of the stocks held by the Adjustment Administration, allocations will be made to deficit areas in the drought region on a basis of local surveys that establish needs for seed beyond locally obtainable supplies. Orders will be placed through county drought committees. Local commercial facilities will be employed to distribute the seed to farmers on a service charge basis; and all such seed as held by the Administration will be sold on the basis of a fair and reasonable price, computed from the original cost as grain, plus expenses of storage, handling, cleaning and other essential items, and with due consideration to prevailing market conditions. No distribution of supplemental seed stocks will be made until it is clearly apparent that the required varieties cannot be furnished at reasonable prices through the regular commercial channels.

Under the distribution plan just announced the county drought committees will survey seed supplies and seed needs in their county, serve as a clearing house for information regarding seeds, and acquaint farmers with the seed situation and the possibility of obtaining supplemental supplies from the Adjustment Administration. Farmers needing seeds, not obtainable through usual channels, may place orders with the county drought committees, which will recommend approval of the orders. The needs of those who can finance their own purchases, those financed by the Farm Credit Administration, and those who are eligible to obtain advances for seed from the Federal Emergency Relief Administration will be given equal consideration.

The county committee will then place the orders for needed seed with the designated officer of the Agricultural Adjustment Administration, and allocations of conserved seed stocks will be made on the basis of seed needs, as shown by the consolidated county orders.

In counties where orders received by county committees exceed the total allocation of seed, the Administration, through its set-up for tabulation of seed supplies and requirements, will act as an information agency in bringing buyers into contact with the nearest available supply.

While grain stocks of the Administration now consist of adapted varieties of hard spring wheat, durum, oats, barley and flax, the purchase of grain sorghums is being considered, and should it appear likely that stocks of soybeans for seed may be depleted through processing demand, purchases may be made of some varieties. The problem of conserving supplemental quantities of suitable seed corn in deficit areas is being studied by the Committee.

The seed stocks are now held in terminals, or in elevators in primary country distributing points in deficit areas. The movement of the stocks to final points of distribution will start promptly upon making of allocations to drought counties, and will be shipped to designated counties on the basis of state and county needs as reported by state directors of drought relief through consolidated county orders, and surveys of supplies made by county committees. It was pointed out by officials that shipments within allocations could be made to counties only on evidence that a shortage of adapted seeds has been shown, and only after definite orders from grain producers for such seed have been recorded by the county committees.

Local elevators and seed houses will distribute the seed and handle all receipts from sales, on the account of the designated officer of the Adjustment Administration. All elevators, seed houses or other agencies handling seeds for the Administration and receiving funds for their sale, will be properly bonded.

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PURCHASES OF DROUGHT CATTLE CONTINUED

Authorizations to purchase approximately 522,000 cattle in 13 drought states, in addition to those acquired under quotas which expired September 29, have been issued by the commodities purchase section of the Agricultural Adjustment Administration. The new authorizations, to expire October 13, will bring the total expenditures in operations to remove cattle from drought areas to about \$92,000,000, and will bring the total number of cattle acquired for processing into relief supplies to about 7,000,000 head.

The quotas make possible the purchase of 475,000 drought cattle in Colorado, Kansas, Missouri, Montana, Nebraska, Nevada, New Mexico, North and South Dakota, Oklahoma, Texas, Utah and Wyoming, and allow the buying of 47,000 head in Arkansas, Minnesota, Oregon, Wisconsin and Louisiana.

Officials pointed out that the state directors in charge of the cattle purchases have been instructed to limit buying operations to the most distressed areas, and agents have been authorized to buy stock only from producers definitely unable to provide adequate feed supplies for their stock.

While emergency operations in the removal of livestock from drought areas are being "tapered off", other phases of the drought relief program to conserve feed supplies, and to facilitate the distribution of feed and forage to drought areas, are progressing rapidly, according to reports from the field.

The information office of the Federal Livestock Feed Agency in Kansas City is making tabulations of feed requirements in areas where a deficit exists, in order to coordinate these with areas where surplus supplies are available. It is expected that within the next week the agency will be functioning to (a) clear information as to location of feed, and most economical routing to drought areas; (b) direct inquiries from drought areas to most advantageous sources of supplies, placing buyers in touch with growers and shippers of hay and grain, and (c) effect such shifts in movement of various feeds as to make the greatest possible quantity available in drought areas at most economical cost.

A special survey of farm feed supplies, covering all classes of feeds, is being completed and soon will be issued, to be used as a basis for operations to conserve and distribute feeds. This will be supplemented by regular periodic surveys to locate surplus stocks of grain and hay actually available for shipment.

Officials emphasized the fact that at present no arrangement had been made for direct purchase of feed by the Federal Livestock Feed Agency. The services of the Kansas City office are purely informational in character, and should any direct procurement of feeds be undertaken at a later date, it would be handled by other units of the feed agency.

The \$50,000,000 loan that has been tentatively arranged with the Reconstruction Finance Corporation, primarily is to provide funds to underwrite the program of conservation of emergency and substitute feeds.

As a part of this program, there has been announced a "corn-stover" plan under which producers may conserve certain quantities of corn fodder and corn stover. Allotments of such quantities to certain states have been made, and within these allotted quotas producers in these states may enter into optional contracts with the Adjustment Administration. Under these contracts, producers are assured that they will not lose by conserving corn fodder and corn stover because they will receive certain minimum prices for feed covered by contract, which may remain unsold on farms on April 1, 1935. The effect of this plan, it is anticipated, will be to release increased supplies of feed to deficit areas.

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50 MILK MARKETS SHOW WIDE RANGE IN RETAIL MARGINS

Distributors' gross operating margins on retail milk delivered to homes in 50 metropolitan markets of the country as of September 15, 1934, ranged from 4.41 cents a quart to 8.34 cents a quart, with a variation in retail prices from 9 cents to

15 cents a quart, according to a review of important markets compiled by the dairy section of the Agricultural Adjustment Administration. The margins were figured on the actual butterfat test prevailing in each market under which milk is sold, with the cost to distributors based on f.o.b. the city.

Of the 50 markets reviewed, 21 are under Federal license, one is under joint state and Federal control, 14 have regulations issued by state authorities under special milk legislation, and 14 markets are without any form of official regulation.

It is pointed out that the review does not include allowances for proportions of milk sold at wholesale, nor does it show milk prices prevailing at stores, which are often less than the delivered price. It does not take into consideration the large supplies of relief milk which are distributed frequently at little or no profit to dealers. The review is not offered as a complete measurement of the relative efficiency of distributing systems in the cities named, as the margins relate only to that portion of the milk which is sold at retail and delivered to consumers' residences.

For instance, at Evansville, Ind., 50 per cent of the milk is sold at retail and 50 per cent at wholesale, while the retail price per quart is 1 1/2 cents above the wholesale price. At Louisville, Ky., an adjacent market, 65 per cent of the milk is sold at wholesale for 2 cents less than the home delivered price of 11 cents a quart. Such differences must be considered in order to get a true picture of the composite margin for the markets as a whole, as this study concerns only the retail portion.

In the case of Federal licensed markets, there is no resale price established under the license, except in a few instances where minimum resale levels are established. Therefore, on such markets, the retail price is subject to the effect of competition among dealers in the sale of milk to consumers. In some of the state-regulated markets, however, established retail prices are used. In the Providence, R. I., market, which has joint state and Federal control, the retail prices are established by the state authority.

In the first group of five markets with margins from 4.4 cents up to but not including 5 cents a quart, the first four are Federal licensed markets and the fifth one is a state-regulated market. The four Federal licensed markets are Chicago, Baltimore, Boston, and the Quad Cities (consisting of Davenport, Rock Island Moline and East Moline).

In the second group of 26 markets, with margins from 5 cents a quart up to but not including 6 cents, there are 11 Federal licensed markets, one market having joint state and Federal control, eight markets with state regulations, and six markets without any official control. The Federal licensed markets are Evansville, Indianapolis, Des Moines, Omaha, Lincoln, the Twin Cities of Minnesota, Oakland and Los Angeles, Fall River, Richmond and St. Louis. The joint state and Federal market is Providence. The state regulated markets are Philadelphia, Seattle, Pittsburgh, Dallas, Salt Lake, Portland, New York City and Cleveland. Markets without any official control are Memphis, Wilmington, Mason City, Iowa, Washington, D. C.; Butte, Mont.; and Sioux Falls, S. D.

In the third group of 14 markets, with margins from 6 cents a quart up to but not including 7 cents, six are Federal markets, four are state-regulated markets, and four markets have no official control. The Federal licensed markets are Savannah, Fort Wayne, Ind., Detroit, Denver, Louisville and Kansas City. The state-regulated markets are Albany, Hartford, Buffalo and Cincinnati. The markets without any official control are Macon, Ga.; Duluth, Minn.; Wheeling and New Orleans.

In the final group of five markets with margins from 7 to 8 cents a quart or more, none is under Federal license; one market, Miami, Fla., is under state regulation, and four markets (San Francisco, Little Rock, Birmingham and Raleigh) are without any official control.

The following table shows the status of city milk prices included in the review as of September 15, 1934:

Markets	Dealers' Buying Prices for raw Milk delivered f.o.b. City		Prevailing Butterfat Test of Milk Sold By Dealers	Retail Price Per Quart Bottled to family trade	Gross Margin to distri- butors on retail prices only
	Per cwt.	Per Quart			
	Dollars	Cents	Percent	Cents	Cents
F - Chicago, Ill.	2.60	5.59	3.5	10	4.41
F - Baltimore, Md.	3.02	6.49	4.0	11	4.51
F - Boston, Mass.	2.98	6.41	3.8	11	4.59
F - Quad Cities	1.91	4.11	3.7	9	4.89
S - Milwaukee, Wis.	2.33	5.01	3.6	10	4.99
F - Evansville, Ind.	1.82	3.91	3.8	9	5.09
F - Indianapolis, Ind.	1.79	3.85	3.8	9	5.15
S - Philadelphia, Pa.	2.72	5.85	3.8	11	5.15
Memphis, Tenn.	2.25	4.84	4.0	10	5.16
S - Seattle, Wash.	2.20	4.73	4.0	10	5.27
Wilmington, Del.	2.60	5.59	4.0	11	5.41
Mason City, Iowa	2.12	4.56	3.9	10	5.44
F - Des Moines, Iowa	2.12	4.56	3.9	10	5.44
Washington, D. C.	3.51	7.55	4.2	13	5.45
(Premium)					
S - Pittsburgh, Pa.	2.56	5.50	3.7	11	5.50
F - Omaha, Neb.	2.09	4.49	3.8	10	5.51
SF - Providence, R.I.	3.46	7.44	3.9	13	5.56
F - Lincoln, Nebr.	2.05	4.41	3.8	10	5.59
S - Dallas, Tex.	2.04	4.39	4.2	10	5.61
F - Twin Cities, Minn.	2.03	4.37	3.6	10	5.63
Butte, Mont.	2.03	4.37	3.7	10	5.63
F - Oakland, Calif.	2.48	5.33	4.0	11	5.67
F - Fall River, Mass.	3.40	7.31	3.7	13	5.69
S - Salt Lake, Utah	1.99	4.28	3.9	10	5.72
F - Richmond, Va.	3.37	7.25	4.0	13	5.75
(Premium)					
F - St. Louis, Mo.	2.44	5.25	3.8	11	5.75
F - Los Angeles, Calif.	2.44	5.25	4.0	11	5.75
S - Portland, Ore.	1.95	4.19	4.0	10	5.81

Markets	Dealers' Buying Prices for raw Milk delivered f.o.b. City Per cwt. Per Quart		Prevailing Butterfat Test of Milk Sold By Dealers Percent	Retail Price Per Quart Bottled to family trade Cents	Gross Margin to distri- butors on retail prices only Cents
	Dollars	Cents			
Sioux Falls, S.D.	1.95	4.19	4.0	10	5.81
S - New York, N.Y.	3.31	7.12	3.7	13	5.88
S - Cleveland, Ohio	2.33	5.01	3.5	11	5.99
F - Savannah, Ga.	3.25	6.99	4.2	13	6.01
F - Ft. Wayne, Ind.	1.82	3.91	3.9	10	6.09
F - Detroit, Mich.	2.28	4.90	3.6	11	6.10
Macon, Ga.	1.81	3.89	4.5	10	6.11
F - Denver, Colo.	1.80	3.87	3.6	10	6.13
Duluth, Minn.	1.74	3.74	3.8	10	6.26
S - Albany, N.Y.	2.65	5.70	4.0	12	6.30
F - Louisville, Ky.	2.18	4.69	4.0	11	6.31
S - Hartford, Conn.	3.56	7.66	3.9	14	6.34
Wheeling, W. Va.	2.16	4.64	3.7	11	6.36
New Orleans, La.	2.08	4.47	4.0	11	6.53
S - Buffalo, N. Y.	2.53	5.44	3.7	12	6.56
F - Kansas City, Mo.	2.45	5.27	3.8	12	6.73
S - Cincinnati, Ohio	2.35	5.05	3.7	12	6.95
San Francisco, Cal.	2.20	4.73	4.0	12	7.27
Little Rock, Ark.	2.00	4.30	4.0	12	7.70
Birmingham, Ala.	2.90	6.24	4.5	14	7.76
S - Miami, Fla.	3.28	7.05	4.3	15	7.95
Raleigh, N.C.	2.63	5.66	4.2	14	8.34

F - Federal license; S - State regulation; SF - State-Federal control.

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MILK LICENSE FOR SAN FRANCISCO AREA

A license for the milk sales area of San Francisco, Calif., has been approved by Secretary Wallace and it became effective October 2. The license provides a price for Class 1 milk of 62 cents a pound of butterfat, which is about \$2.48 per 100 pounds on 4 per cent milk or 5.3 cents per quart, f. o. b. distributors' city plants. This price represents a gain of 20 per cent to producers above the price for Class 1 milk one year ago.

The license was requested and approved by the Consolidated Milk Producers of San Francisco, Inc., the United Producers of California, and a group of independent nonmember producers.

The prices defined in the license are as follows: Class 1 milk, f. o. b. distributors' plants, 62 cents a pound of butterfat; Class 2 milk, used for cream purposes, four times the San Francisco 92 score butter price, plus 30 per cent of that sum, plus 11 cents per hundredweight; and Class 3 milk, or excess and the other classes, four times the butter quotation plus 10 per cent, plus 4 cents per 100 pounds.

On milk purchased at country receiving stations located 35 miles or more from the city hall, a deduction will be made on both Class 1 and Class 2 deliveries amounting to 3-1/2 cents a pound of butterfat in the milk. On Class 1 milk transportation charges additional will be deducted at country plants, to be determined by the market administrator, provided they are not in excess of the California Railway Commission schedule. The freight allowance on Class 2 milk will be only one-eighth of the established freight charges on Class 1 milk.

To maintain the supervisory office and the accounting services of the market administrator, producers will contribute 1/2 cent a pound of butterfat in milk delivered to distributors, including the same charge for milk sold by producer-distributors. Upon request by the Administrator, 1/2 cent per pound of butterfat will also be deducted from payments to producers who are not receiving the services and benefits rendered by any cooperative association, such as check testing of milk, guarantee against default by distributors, and market information. This second special fund will be kept separately by the Administrator, who is under bond to the Government, and used by him to render similar protective services to nonmembers as members of cooperatives receive through similar payment made to their own units.

Producers who sell only milk of their own production at retail are exempt from the pool account up to an amount of milk representing the average volume sold on retail routes. New producers who sell milk on the market must accept the Class 3 price for 90 days.

The market administrator will have charge of base milk allotments making such revisions as conditions warrant.

Cooperative associations are assured the right to check tests and weights of milk furnished by members without question, and they may set up their own systems of transportation, if desirable, and the Administrator will require dealers to furnish detailed reports on actual costs of milk hauling. If any cooperative should be licensed as a distributor of milk or cream, the license specifies that no deductions or charges may be levied by it upon members to meet operating losses in processing or distribution without the consent of members.

The market administrator will compute the blended price for milk payable to producers on the delivered bases of all producers in relation to sales in Class 1 and Class 2, and also set the excess price for Class 3 milk according to total deliveries over base.

Other protective powers of the Administrator in the license are the requirement for bonds or periodic advance payments by dealers to insure collections, examination of distributors' books and records in confidence, the right to establish check testing and weighing services, and the use of a reserve fund to apply in case payments are not made promptly to the adjustment account maintained for all distributors.

Distributors are not permitted to buy milk or cream from or sell any products to any other dealer known to be violating the license. Dumping of cream in San Francisco at sacrifice prices from adjacent markets is also prohibited.

PROVIDENCE, R.I., MILK LICENSE AMENDED

Changes in the deductions allowed for station charges and freight from payments to producers delivering milk to certain cooperative plants and creameries outside the Providence, R.I., sales area for milk shipped to the area for distribution are carried in an amended license for Providence which became effective October 1.

In addition to changes in deductions, the entire license has been re-drafted to embody new features designed to clarify and strengthen its provisions. No changes in prices to producers are included in the amended license.

According to the amended license, allowed deductions for milk delivered to the farmers' processing and bottling plant at Bellows Falls, Vt., for shipment to Providence is 43 cents per hundredweight on Class 1 milk and 6 cents per hundredweight on Class 2 milk. Similar deliveries to the creamery at Stow, Vt., will carry a deduction of 71 cents station and freight charges per hundredweight on Class 1 milk and 6 cents on Class 2 milk, while deliveries made to the Richmond, Vt., creamery will take deductions of 64 cents in station charges and freight on Class 1 milk and 6 cents per hundred on Class 2 milk.

In figuring deductions uniform station charges of 13 cents per hundredweight instead of 20 cents were allowed. The Bellows Falls bottling plant is allowed only a bulk milk carlot freight rate to Providence in the amended license instead of a bottled milk carlot rate. Under the former license deductions from patrons' on the carlot bottled milk freight rate provided a somewhat greater deduction than the new license provides. The other plants--at Stowe and Richmond--ship milk in cans only at the bulk classification rate and, as a rule, do not have carlot quantities. Hence in the amended license these plants get the L.C.L. bulk milk freight rate plus the 13-cent station charge; in addition to which, on account of extra drayage to the railway required at Stowe for the Mansfield Creamery, an 8-cent hauling charge per hundredweight is added to the deduction allowed at this point.

The general effect of the amendment is to increase the deductions allowed to the plants at Stowe and Richmond and slightly to decrease the allowed deduction at Bellows Falls.

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ADVANCE IN CLASS 1 PRICE TO LOS ANGELES MILK PRODUCERS

The price for Class 1 milk to producers under the existing Los Angeles, Calif., milk license was advanced from 61 cents to 67 cents a pound of butterfat in amendments to the license which became effective October 1.

Accompanying the increase to producers which amounts to about 24 cents per 100 pounds on 4 per cent milk, an increase is granted in the minimum resale prices for milk below which sales cannot be made without violating the license. No price changes are made in the other classes of milk, which are based on butter market quotations. The rise in butter prices has served to strengthen the prices received in these classes and, hence, a slight increase is added to the minimum resale prices for cream.

New producers were formerly obliged to accept Class 3 price for their milk for three full delivery periods, or three months. Under the amendments, new producers will be obliged to take the Class 3 price for only one month, with their bases to be allotted by the administrator.

Another provision specifies that Class 3 milk will include flavored milk, creamed cottage cheese and creamed buttermilk, but that products made from skim milk are excluded from the class.

In connection with the advance in minimum resale prices in the license, it is explained that anyone who claims to be able to sell milk for less than the established minimum schedule may call for a hearing in the matter. The new minimum resale price schedule represents an advance of 1/2 cent a quart on milk, and 2 cents a quart on 22 per cent cream and 4 cents advance on cream of higher test.

The new minimum resale schedule in brief is as follows:

Milk per quart, retail, 10 cents; wholesale, 9 cents; pints, 6 cents retail and 5 cents wholesale.

Coffee cream of 22 per cent butterfat, quarts, 29 cents retail and 27 cents wholesale; pints, 17 cents retail and 16 cents wholesale.

Table cream of 27 per cent butterfat, quarts, 35 cents retail and 32 cents wholesale; pints, 21 cents retail and 19 cents wholesale.

Whipping cream of 38 per cent butterfat, quarts, 48 cents retail and 44 cents wholesale; pints, 27 cents retail and 24 cents wholesale.

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FORT WORTH, TEXAS MILK LICENSE AMENDED

An amendment to the Fort Worth, Texas, milk license has been approved by Secretary Wallace to provide for slightly higher returns to producers for Class 3 milk. The amendment became effective October 1.

The amendment, requested by agencies on the market, is designed to place the Class 3 milk price for that market more nearly in line with competitive conditions. The Class 3 price has been changed from four times the average quotation for 90 score Chicago butter alone to four times the butter quotation plus 20 per cent of that amount, plus an extra premium of 10 cents per 100 pounds of milk. The Class 3 price before the amendments returned about \$1 per 100 pounds of milk for the first period of the license. The new price is expected to return producers about \$1.30 per 100 pounds of Class 3 milk.

Another change is made in the license by the amendment in that the definition for Class 2 milk is broadened to include flavored milk, creamed cottage cheese, and creamed buttermilk, as well as table cream originally included.

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MILK PRODUCERS IN DENVER AREA GET PRICE ADVANCE

An amendment to the existing license for the Denver, Colo., milk sales area became effective October 1. It advances the Class 1 price to producers from 50 cents per pound of butterfat to 60 cents. On 4 per cent milk, such an advance represents about 40 cents per hundredweight, or about 35 cents advance per hundred on 3.5 per cent milk.

The new price is said to be fully 25 per cent more than producers received for milk a year ago. The advance was requested by producers and the market administrator.

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BANKHEAD COTTON CERTIFICATE POOL EXPLAINED

Cotton states whose production this year, according to official crop estimates, will exceed their Bankhead Act allotments, will need to purchase only enough tax-exemption certificates to cover 431,223 bales of this extra production; whereas states whose production will be less than their Bankhead allotments will have for sale surplus certificates for the 1,639,474 bales difference between their production and their allotments, the Agricultural Adjustment Administration has announced. Consequently, while every effort will be made to secure as large a return as possible for holders of excess cotton tax-exemption certificates, the Adjustment Administration has reiterated that it would be mathematically impossible for each certificate turned into the national Surplus Cotton Tax-Exemption Certificate Pool to net its owner anywhere near as much as \$20 a bale.

This figure has been used by some persons in calculating the potential value of excess certificates in states which are not producing their Bankhead cotton allotment, as it is the approximate selling price which has been set for certificates purchased through the pool by growers whose individual production will exceed their allotment. This price, 4 cents a pound, is approximately 70 per cent of the tax of 5.67 cents a pound imposed by the Act on the ginning of cotton.

On the basis of the September 1 cotton crop estimate, states with estimated cotton production below their Bankhead allotments and the indicated excess in one-bale certificates are: Florida, 1,683; Mississippi, 59,728; Louisiana, 89,028; Texas, 854,530; Oklahoma, 358,631; Arkansas, 241,669; Missouri, 34,205. Total, 1,639,474 certificates.

States with estimated cotton production above their Bankhead allotments and the indicated deficit in one-bale certificates are: Virginia, 6,177; North Carolina, 127,307; South Carolina, 100,791; Georgia, 58,346; Tennessee, 17,875; Alabama, 80,625; New Mexico, 13,305; Arizona, 13,463; California, 8,795; all other minor cotton states, 4,539. Total, 431,223 certificates.

"This means there are nearly four times as many excess certificates available as will be needed to cover all the cotton produced by states which are going to be above their allotments," Cully A. Cobb, Chief of the Cotton Production Section of the Agricultural Adjustment Administration, said.

"The Government will not purchase any of these certificates, but all of the money taken in by the pool from the sale of surplus certificates will be distributed among producers who surrender certificates to the pool, after deducting expenses, and such producer will receive his share in the proportion that the poundage surrendered by him bears to the total poundage in the national pool. The surplus certificates that are not sold will be returned, on a similar pro rata basis, to producers participating in the pool. They may be used next year, in the event the Bankhead Act is continued another season.

"For example, assume that all of the 1,639,474 indicated excess certificates are turned into the pool and that each of the 431,223 above quota bales of cotton is covered by a certificate purchased from the pool. At \$20 a bale, which is what the 4 cents a pound approximates, for the 431,223 certificates, the pool would take in a total of \$8,502,155. But, it would still have on hand, unsold, 1,208,251 certificates which would have to be returned to their owners. Thus, the producer who turned in excess certificates would be paid approximately \$20 for each bale sold, not \$20 a bale on all certificates turned into the pool as some have assumed. As already pointed out, each producer also would be returned his share of unsold certificates.

"This is on the assumption that all of the transactions involving the purchase and sale of cotton tax-exemption certificates will be made through the pool, but this is not expected to be the case, because provision is made for sales between individuals within a county, through the county office, and also for the transfer of certificates from one farm to another, regardless of where the farms are located, so long as they are operated by the owner of the certificates. In addition, the tax itself may be paid on a small amount of the cotton ginned, and doubtless there will be a large number of farmers who will prefer to hold their excess certificates for use next year in the event the Bankhead Act is continued.

"To illustrate in another way: If holders of surplus certificates should surrender certificates to the pool to the amount of 1,000,000 bales, and if the pool should sell one third of these, each grower who surrendered certificates will receive \$20 per bale for one third of the certificates surrendered by him and the remaining two thirds of unsold certificates will be returned to him.

"In the case of purchases and sales of Surplus Tax-Exemption Certificates within a county, the owner of the excess certificates will receive the full amount of four cents a pound, or approximately \$20 a bale, for any certificates he may sell. Regardless of whether sales are between individuals or through the cotton pool, the purchaser must pay the full four cents a pound rate. This payment must be made in cash except on individual sales made within a county when other considerations of equal value may be exchanged for certificates. All transactions must be made through the office of the County Assistant in Cotton Adjustment.

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"Because of these additional methods of transferring excess certificates, the pool probably will be able to sell around 300,000 certificates. This pool is in actual operation, and Ernest L. Deal, Regional Consultant, Florence, Alabama, has been made manager of the pool."

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BURLEY AND MARYLAND TOBACCO PROCESSING TAX RATES ADJUSTED

New regulations adjusting the rates of processing taxes on Maryland and Burley types of tobacco have been announced by the Agricultural Adjustment Administration. The 1.7 cents a pound (farm sales weight) processing tax on Maryland tobacco is reduced to zero, while the 2 cents a pound (farm sales weight) processing tax on Burley is increased to 6.1 cents a pound, except on Burley used in the manufacture of plug chewing tobacco and twist, on which the processing tax is established at 4.1 cents a pound.

The changes, effective October 1, were contained in Tobacco Regulations, Series 1, Number 1, signed September 26 by Secretary Wallace and approved on the next day by President Roosevelt. The new regulations also consolidate all previous regulations on tobacco.

Both adjustments are necessary, the regulations said, in order to effectuate the declared policy of the Agricultural Adjustment Act. The new rates are equal to the difference between the current average farm price and the fair exchange value of Maryland and Burley tobacco, respectively.

No change is provided in the rates of processing taxes on types of tobacco other than Maryland and Burley.

New conversion factors are established for articles processed from Maryland, Burley, flue-cured, fire-cured and dark air-cured tobacco. These conversion factors are for use in determining the amount of taxes and refunds other than on floor stocks. The existing conversion factors for goods processed from Maryland, Burley, flue-cured, fire-cured and dark air-cured tobacco are made applicable for use in determining taxes and refunds on floor stocks only, and no changes are made in these except in the conversion factors applied to twist chewing tobacco and other chewing tobacco.

The regulations fix the measure of the processing tax on Burley tobacco in processing order from which stem has not been removed at 7 cents a pound and on Burley tobacco from which stem has been removed at 9.5 cents a pound.

The Secretary found, after investigation and after considering testimony given at a public hearing held September 5, 1934, that the full statutory rate of 6.1 cents a pound on Burley manufactured into plug chewing tobacco and twist would cause such a reduction in the quantity of Burley manufactured into these products, domestically consumed, "as to result in the accumulation of surplus stocks of Burley tobacco, or of plug chewing tobacco and twist produced therefrom, or in the depression of the farm price of Burley tobacco", and that a rate of 4.1 cents would prevent the result. Hence the establishment of the 4.1 cents a pound (farm sales weight) rate on Burley used in these products. This rate is in line with

the rates on flue-cured and dark air-cured tobacco used in the manufacture of plug chewing tobacco and twist.

On Burley tobacco in processing order used in the manufacture of plug chewing tobacco and twist, the measure of tax is fixed at 4.7 cents a pound on that from which stem has not been removed and at 6.4 cents a pound on that from which stem has been removed.

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ADJUSTMENT PROGRAM FOR PEANUTS APPROVED

An adjustment program for peanuts which is designated to bring supply into line with consumption by diverting a portion of the 1934 crop into oil or feed for livestock, and limiting acreage in 1935 has been announced by Chester C. Davis, Administrator of the Agricultural Adjustment Act. In approving the program, Secretary of Agriculture Henry A. Wallace, also terminated (effective October 1, 1934) the marketing agreement and license under which peanut millers have operated since January 27, 1934. This termination was requested by a majority of the contracting millers.

A processing tax of 1 cent a pound, farmers' stock weight, on peanuts, except those used in the manufacture of oils, became effective October 1. Revenue derived from the tax will be used to finance the new program. Benefit payments will be made to those growers who sign and carry out contracts to adjust their acreage in 1935. Contracting producers will be eligible also to receive additional payments for diverting up to 20 percent of their 1934 production to use as feed or in the manufacture of peanut oil. It is estimated payments to growers will total more than \$4,000,000. In addition, growers are expected to benefit by improved prices which are being sought in an effort to reestablish the purchasing power of peanuts by maintaining a better balance between production and consumption.

Contracts to be offered to producers will require that the acreage planted to peanuts in 1935 be not in excess of one of the following, as chosen by the producer:

- (a) 90 per cent of the acreage planted in 1933.
- (b) 90 per cent of the acreage planted in 1934.
- (c) The average acreage planted in 1933 and 1934.

Payments to producers for acreage adjustment in 1935 will be measured by the quantity of peanuts harvested in 1934 at the rate of \$8 per ton. This will insure the contract signer of a larger return from his crop than the non-cooperator will receive, although the plan probably will yield returns to non-signers somewhat higher than they would have received had there been no peanut program.

The benefit payment will be made on the entire 1934 harvested crop of contract signers regardless of the use to which the harvested peanuts are put. In addition, a producer signing a contract will be given an opportunity to divert any part of the 1934 crop to use as feed or in the manufacture of oil up to

20 per cent of his harvested crop. Diversion on the part of growers signing contracts will be optional and would consist of selling peanuts to a peanut oil manufacturer who agrees in writing to use such peanuts for oil; baling peanuts on the vine and using them for feed; or baling peanuts on the vine and selling them for feed to an agency approved by the Secretary of Agriculture under regulations to be announced.

Only one method of diversion may be selected by any one producer and the diversion payment will be made only on peanuts diverted in the manner selected. No payment of any kind will be made, however, on peanuts that are hogged-down or undug.

The rate of payment to farmers for diversion would be \$20 a ton for Virginia type peanuts, \$15 a ton for Spanish, and \$10 a ton for Runner type peanuts. The offering of these payments will enable growers profitably to divert a portion of their crop from the higher-priced shelled goods trade to the oil mills, if the farm price should fall below the current average price.

In order to encourage the use of farmers' stock peanuts by oil manufacturers, all such manufacturers will be offered payments on farmers' stock peanuts purchased after October 1 and used for oil, other than those diverted to oil by growers themselves, and for which payments are made direct to growers. The rate of payment to oil manufacturers will be \$16 a ton for Virginia peanuts, \$12 a ton for Spanish and \$8 a ton for Runner type peanuts.

Based on present prices for peanut oil the prices paid for diverting peanuts to oil would tend to establish farmers' stock peanuts above the following prices: Runners, \$50 per ton; Spanish, \$59 per ton and Virginias \$56 per ton. The Adjustment Administration reserves the right to change the prices paid oil manufacturers for diverting peanuts for oil if a change is necessary in order to establish the above prices, or if oil prices should advance materially.

Both the adjustment payment and the diversion payment, when the peanuts are diverted by the producer, will be made after the 1935 peanut acreage of the producer is measured and he has fully complied with his part of the contract. The diversion payments made to oil manufacturers and through them passed on in the form of higher prices to the producer, of course, will be included in the price paid the producer at the time peanuts are purchased by the oil manufacturer.

The September 1 crop report estimated 1934 peanut production at 1,025,000,000 pounds of all types. It is estimated that of this production 125,000,000 pounds will be required for 1935 seed and farm food, leaving a supply of 900,000,000 pounds available for the market. Of this amount, it is estimated that 25 per cent, or 255,000,000 pounds, will be diverted to oil or commercial feeds, leaving 645,000,000 pounds for cleaning and shelling by millers, unless satisfactory farm price is maintained by means of a smaller diversion.

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REGIONAL SUGAR BEET CONFERENCES SCHEDULED

Eight regional meetings in the principal sugar beet producing areas, preliminary to the sugar beet sign-up campaign, are scheduled by the sugar section of the Agricultural Adjustment Administration. John E. Dalton, chief, and other officials of the sugar section, were in Cheyenne, Wyo., for the first meeting on October 5.

The meetings have been called primarily to acquaint Extension Service workers with details of the sugar beet program, and to assist them in completing their organization before the actual campaign begins. In addition, meetings of producers, processors, and others interested in the sugar beet program will be held.

From the first conference in Cheyenne, the sugar section officials will go to California, where the campaign is expected to begin first, in order to give growers there an opportunity to sign contracts as early as possible. This is necessary in order that processing companies may make their purchase contracts for next year sufficiently in advance of the planting season, which is several months earlier in California than in the other states.

The meetings, as tentatively scheduled, are at: Cheyenne, Wyo., October 5; Logan, Utah, October 12; Pocatello, Idaho, October 13; Fort Collins; Colo., October 15; Billings, Mont., October 15; Scottsbluff, Neb., October 16; Madison, Wis., October 18, and East Lansing, Mich., October 19.

Representatives from the state of Washington will attend either the Pocatello or Billings meeting. Kansas will be represented at either Fort Collins or Scottsbluff, and South Dakota will be represented at either Billings or Scottsbluff. North Dakota workers and producers will attend the Billings meeting. At the Madison meeting, Minnesota, Iowa, and Illinois interests will be represented, while the East Lansing meeting will be for Ohio and Indiana, as well as Michigan.

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LOUISIANA SUGAR BELT ASSURED ON MARKETING TO SYRUP MILLS

Commercial growers in the 20 parishes comprising the Louisiana sugar belt, who ordinarily produce sugarcane for syrup, may market their 1934 crop to syrup mills with the assurance that they will receive benefit payments comparable to those which growers participating in the sugarcane for sugar adjustment program, now under way in that state, will receive, the sugar section of the Agricultural Adjustment Administration has announced.

Instead of receiving the benefit payment in two instalments, these syrup producers in the sugar belt will receive the payment on their 1934 crop early in 1935 in a single payment. They will be required to enter into contracts with the Secretary of Agriculture covering their production in 1935 and 1936. The 20 parishes in the sugar belt, where a considerable portion of the sugarcane may be marketed for either sugar or syrup, include Terrebonne, Lafourche,

Iberville, West Baton Rouge, East Baton Rouge, St. Mary, Assumption, Ascension, St. Charles, St. James, St. John, Iberia, Vermilion, Lafayette, St. Martin, Point Coupee, St. Landry, Avoyelles, Rapides, and West Feliciana.

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PRICES FOR CALIFORNIA CANNED RIPE OLIVES APPROVED

Minimum prices to producers and changes in minimum prices to distributors as provided for in the marketing agreement and license for California canned ripe olives have been approved by Secretary Wallace, the Agricultural Adjustment Administration has announced. The changes in the minimum prices at which canners could sell canned ripe olives to the distributors, are intended to make prices more equitable according to various sizes in order that supplies may be equalized.

The minimum prices to producers will be effective for all purchases of the 1934 crop. The changes in the minimum prices to distributors will become effective five days "after the mailing, simultaneously, of a notice of such changes to all canners as defined in the marketing agreement...."

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FARM INCOME SHOWS SHARP INCREASE

Farm income during June, July, and August of 1934 was at the highest three-month level reached since the rise which started after the first quarter of 1933, and about 33 per cent below the pre-depression level, according to Louis H. Bean, economic adviser to the Agricultural Adjustment Administration. Including benefit payments under the Agricultural Adjustment Act, farm income in August, 1934, averaged approximately 80 per cent above the low level during the first quarter of 1933. These comparisons take into account the usual seasonal changes in farm marketings.

Farm income for June, July, and August, 1934, totaled \$1,508,000,000, including \$133,000,000 in benefit and other payments. This compares with \$1,316,000,000 for the same quarter of 1933 and \$913,000,000 for the same quarter of 1932, an increase of 65% over the two-year period.

Prices paid by farmers on August 15 averaged 25 per cent above the level of March, 1933. This indicates that the purchasing power of farm products in exchange for commodities had a net increase of 44 per cent, Mr. Bean said.

Much of the advance in farm income has been paralleled by an advance in factory payrolls. During August, 1934, factory payrolls were approximately 60 per cent higher than in the first quarter of 1933, and city living costs had risen approximately 10 per cent, so that the net increase in the purchasing power of factory payrolls was about 45 per cent or practically the same as the increase in the purchasing power of cash income from farm marketings.

"Examining the relation between these two streams of purchasing power over the past year and a half, it may be observed that farm income rose sharply in the first quarter of 1933 and preceded the rise in factory payrolls," Mr. Bean said. "In the last half of 1933, benefit payments, in addition to farm receipts from marketings, served to cushion the decline in factory production and in buying power derived from payrolls from the over-stimulated levels of the summer of 1933. Following a recovery in industrial production and payrolls during last winter, there has been a recession between May and September of 1934, but the larger volume of benefit payments during the fall of 1934 will again serve to cushion the decline in industrial activity and payrolls."

The lower volume of production this fall will be offset in large part by the higher prices that farmers are now receiving and by the larger benefit and other payments. These should serve to sustain the level of farm income, though it may not be quite as high in the next quarter as during the past quarter.

During August, farmers received in benefit payments and from the sale of cattle and from option payments, close to \$70,000,000. Similar payments during September will probably total around \$85,000,000. This, according to Mr. Bean, should substantially offset the reduction in volume of farm marketing due to smaller 1934 crops.

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